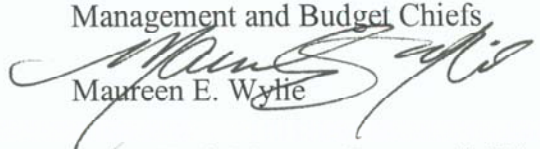




**UNITED STATES DEPARTMENT OF COMMERCE**  
**National Oceanic and Atmospheric Administration**  
CHIEF FINANCIAL OFFICER

MAY 04 2006

MEMORANDUM FOR: Chief Financial Officers  
Management and Budget Chiefs

FROM:   
Maureen E. Wylie

SUBJECT: CWIP Task Manager Responsibilities

The purpose of this memo is to reiterate and update guidance on Construction Work In Progress (CWIP), the subject of a reportable condition in the past, so that it does not resurface as a deficiency. At the end of FY 2005, CWIP amounted to \$2.8 billion, which was almost one-fourth of the Department of Commerce's total assets.

Please remind your respective administrative staff and task managers of their responsibilities to follow established policies and procedures. CWIP Activity Managers and designated financial representatives should:

1. thoroughly understand the CWIP policies and procedures set forth on the NOAA Finance Office CWIP website listed below;
2. ensure all CWIP projects are tracked properly by utilizing the exclusive CWIP project numbering structure (i.e., "4" in the 2<sup>nd</sup> position or "F" in the 4<sup>th</sup> position of the project number);
3. capture all costs, both capital and expense, and maintain the documentation necessary to support the CWIP amounts;
4. exclude all undelivered orders from the reconciled balances;
5. ensure the files supporting the CWIP amounts are complete and accurate and verify that the documentation in the CWIP files agrees to the most current CA500D Report by project/task and fiscal year;
6. conduct monthly reviews of the CBS *CWIP Report--CA500D* and verify the accuracy of project code assignments, object class coding, and dollar amounts;
7. on a quarterly basis, reconcile CWIP balances to the CA500D;
8. ensure that all adjustments necessary to the CA500D are identified properly on the Reconciliation Template and explained in adequate detail;



9. transfer costs of CWIP projects immediately to the appropriate Property Office once a constructed property item is placed into service, by submitting to the Financial Statements Branch (Germantown) a NF37-6 Report of Completed Construction Work in Progress; and
10. ensure revisions of the projected CWIP completion dates are sent to Daniel Bess (NOAA Budget Office) on a timely basis.

In summary, CWIP Activity Managers and designated financial representatives have the responsibility for CWIP financial and budgetary activities and for the accuracy of the valuation of the CWIP asset. These responsibilities are detailed on NOAA's Finance Office CWIP site at <http://www.corporateservices.noaa.gov/%7efinance/CWIP.html>. The oversight responsibilities of CFO/MB Chiefs and a *Line Office CFO/MB Chief CWIP Reconciliation Review Check List* are also available at that site.

Thank you for your continued diligence in this area. If you have any questions, please contact Mike Van Deusen at (301) 444-2174 or Daniel Bess at (202) 482-3938.

cc: NFA571 - Zeke Dennison  
NFA33 - Jim LeDuc  
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